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PP RUEHAG RUEHAST RUEHBI RUEHCI RUEHDBU RUEHDF RUEHIK RUEHLH RUEHLN
RUEHLZ RUEHNEH RUEHPW RUEHROV RUEHRS RUEHSL RUEHSR RUEHVK RUEHYG
DE RUEHAH #1177/01 2581300
ZNR UUUUU ZZH
P 151300Z SEP 09
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC 3472
INFO RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 5675
RUEHBJ/AMEMBASSY BEIJING 3393
RUEHKO/AMEMBASSY TOKYO 3257
RUEHIT/AMCONSUL ISTANBUL 3918
RUCNDT/USMISSION USUN NEW YORK 1147
RHMCSUU/CDR USCENTCOM MACDILL AFB FL
RUEHVEN/USMISSION USOSCE 3904
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC

UNCLAS SECTION 01 OF 02 ASHGABAT 001177

SENSITIVE

SIPDIS

STATE FOR SCA/CEN; EEB; NEA/IR
ENERGY FOR EKIMOFF/BURPOE/COHEN
COMMERCE FOR EHOUSE

E.O. 12958: N/A

TAGS: [EPET](#) [PGOV](#) [EINV](#) [IR](#) [TU](#) [TX](#)

SUBJECT: IRAN PLANS TO TRANSIT 35 BCM OF TURKMEN GAS TO TURKEY

REF: ASHGABAT 886

11. (U) Sensitive but unclassified. Not for public Internet.

12. (SBU) SUMMARY: Iranian media reported on September 12 that Ankara and Tehran agreed to transport Turkmen gas to Turkey. The media reports quoted an official of the National Iranian Oil Company as saying that the volume of Turkmen gas transiting Iran would reach 35 bcm per year. To date, none of the reports has mentioned when such transit operations would begin. Neither the Turkmen Government nor local media have commented on the proposed, increased volumes so far. END SUMMARY.

13. (SBU) In July, Turkmenistan and Iran signed an agreement to increase the supplies of Turkmen gas to Iran from eight billion cubic meters (bcm) of gas per year to 14 bcm and stated that volumes could reach 20 bcm per year in the future. At the same time, the Turkmen Government has never mentioned the possibility of increasing gas shipments to Iran to 35 bcm per year. Turkmenistan can technically increase supplies to Iran up to 14 bcm per year in the short-term without jeopardizing its existing export obligations. However, supplying 35 bcm could only be realized when the South Yoloten gas field comes on line some time in the more distant future.

14. (SBU) Currently, the Korpeje - Kurdkui gas pipeline connects Turkmen western gas deposits to the Iranian gas transportation network. With a diameter of 40 inches, the pipeline is capable of transporting about 12.5 - 13 bcm of gas annually. This pipeline's full capacity has never been used to its full extent. The maximum shipments have never exceeded 8 bcm. Another transit option is the Dowletabat - Sarakhs - Khangiran pipeline, planned for completion and operation by the end of 2009. Its capacity will also only allow for the transit of 12.5-13 bcm of gas per year (reftel). As a result, if both the Korpeje-Kurdkui and Dowletabat-Sarakhs-Khangirin were running at full capacity, they would only provide for the transit of 25-26 bcm, falling 9-10 bcm short of the amount reported in Iran.

15. (SBU) In addition to insufficient pipeline capacity, another challenge is actually getting the 35 bcm of Turkmen gas from the Turkmenistan-Iran border to Iran's border with Turkey. The existing capacity of pipelines connecting Iran's northeastern and western regions is not capable of carrying more than 10 bcm of gas per year.

Iran could employ a gas swap --consuming 10 bcm of Turkmen gas in its northeastern provinces and providing the same volume of Iranian gas at the Turkish border, but there would still be a need for additional capacity to transport the remaining 15 bcm. Iran has long-term plans to increase the capacity of its northeast-west gas transportation system, but post has no information regarding how many more bcm of gas the upgrade could handle.

16. (SBU) Getting Turkmen gas across the Iran-Turkey border would also be a problem, as the capacity of the existing Tabriz-Erzurum pipeline is not enough to handle 35 bcm of gas per year. As a result, the two countries may need to construct another gas pipeline in order to transport 35 bcm of gas per year. Last but not least, in 2008 Turkey consumed 36 bcm of gas, and is unlikely to require an additional 35 bcm of gas given current demands. Moreover, exporting excess gas volumes further west would require additional pipeline capacity, which means more investment and more time.

17. (SBU) COMMENT: Turkmenistan is currently looking for new gas customers in addition to Russia, but has not backed off its mantra of requiring all customers to buy their gas at the Turkmen border. As a result, any new Turkmen gas customers, including Iran, would need to invest in pipeline transportation systems that are not only costly, but would take years to complete. As a result, the recent announcement by Iran to transport large volumes of Turkmen gas to

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Turkey seems only to be in the idea stage for now. END COMMENT.

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